

State of South Carolina



Public Service Commission

RUDOLPH MITCHELL

Chairman

GUY BUTLER

Vice Chairman

CECIL A. BOWERS

Commissioner

WARREN D. ARTHUR, IV

Commissioner

WILLIAM "BILL" SAUNDERS

Commissioner

C. DUKES SCOTT

Commissioner

PHILIP T. BRADLEY

Commissioner

CHARLES W. BALLENTINE

Executive Director

(803) 737-5120

GARY E. WALSH

Deputy Executive Director

(803) 737-5133

M E M O R A N D U M

TO : Anita Starnes

FROM : F. David Butler, General Counsel *FDB*

DATE : July 23, 1996

RE : Incorrect Docket Number

Please take note that the Docket No. 95-053-C is incorrect on this Order. The correct Docket No. is 96-053-C. I have decided that it will not be necessary to amend Order at this time. However, please attach this memo to Order to advise that Docket No. 96-053-C is the correct Docket No. for this Order.

FDB:vka

HS

WWBEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 95-053-C - ORDER NO. 96-424
JUNE 20, 1996

IN RE: Application of Alltel Long Distance, Inc.) ORDER
for a Certificate of Public Convenience) APPROVING
and Necessity for Authority to Provide) CERTIFICATE
Intrastate Resale and Operator Assisted)
Telecommunications Services Within the)
State of South Carolina.)

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Alltel Long Distance, Inc. ("Alltel" or "the Company") requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services, including operator assisted services, in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1994) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Alltel to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Alltel's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. Alltel complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to

Intervene or protests regarding Alltel's Application were received by the Commission.

A public hearing was commenced June 11, 1996, at 11:00 a.m., in the Commission's Hearing Room. The Honorable Rudolph Mitchell, Chairman, presided. Alltel was represented by D. Reece Williams, III, Esquire; F. David Butler, General Counsel, represented the Commission Staff.

In support of its Application, Alltel presented the testimony of Terry A. Roberts, President of the Company. Mr. Roberts explained the Company's request for authority to provide interexchange telecommunications services in South Carolina as a non-facilities based reseller. Mr. Roberts described the Company's services, its managerial, technological, and financial resources, and its marketing procedures. Mr. Roberts stated that Alltel will provide its services in compliance with the Commission's rules and regulations.

After full consideration of the applicable law, the Company's Application, the evidence presented by the Company and the Commission Staff, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Alltel is incorporated under the laws of the State of Delaware, and has received a Certificate of Authority to Transact Business as a Foreign Corporation in the State of South Carolina.

2. Alltel operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina.

3. Alltel has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Alltel to provide intrastate interLATA service and to originate and terminate toll traffic in the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Services (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for Alltel for its resale services which includes only maximum rate levels for each tariff charge. For intrastate interLATA "0+" collect and calling card calls, Alltel may not impose a fixed operator service charge more than the intrastate charges then currently approved for AT&T Communications, and for the usage portion of the call, Alltel may not charge more than the intrastate rates charged by AT&T Communications at the time such call is completed. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Alltel shall not adjust its rates below the approved maximum level without notice to the Commission and to the public.

Alltel shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1994).

4. Alltel is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

5. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

6. Alltel shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Alltel changes underlying carriers, it shall notify the Commission in writing.

7. With regard to the origination and the termination of toll traffic in the same LATA, Alltel shall comply with the terms

of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

8. Alltel shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

9. Alltel is allowed to incorporate in its tariff a surcharge for operator-assisted and calling card calls not to exceed \$1.00 for calls originated at hotels and motels and at customer-owned pay telephones only if the property owners have not added a surcharge already. That is, the Company may not impose an additional surcharge to calls originating at hotels and motels and customer-owned pay telephones if such a surcharge has already been imposed by the property owners. If such a charge is applied, however, it should be paid in its entirety to the customer by Alltel. Further, if the surcharge is applied, the user should be notified of imposition of the surcharge. This information should be included in the information pieces, such as tent cards or pay telephone stickers, identifying Alltel as the operator service provider for the pay telephones or guest telephones.

10. Alltel is required to provide "tent" cards to hotels and motels for placement next to guest telephones and stickers to customer-owned pay telephones identifying Alltel as the provider of operator service for intrastate interLATA calls. Alltel is required to brand all calls identifying itself as the carrier for the hotel or motel. The information pieces shall be consistent with the format approved by the Commission in Order No. 93-811,

issued in Docket No. 92-557-C.

11. For the provision of operator services, Alltel shall comply with the Operator Service Provider Guidelines approved in Order No. 93-534, issued in Docket No. 93-026-C.

12. Alltel shall file its revised tariff and accompanying price list reflecting the findings herein and its agreed upon tariff amendments within thirty (30) days of the date of this Order. The revised tariff shall be consistent with the Commission's Rules and Regulations.

13. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


CHAIRMAN

ATTEST:


Executive Director

(SEAL)

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'S

COMPANY NAME

FEI NO.

ADDRESS

CITY, STATE, ZIP CODE

PHONE NUMBER

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR
ENDING _____.

* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT
(SEE #3 ABOVE).

SIGNATURE

NAME (PLEASE TYPE OF PRINT)

TITLE